



FINAL MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING

August 13, 2014

Present: Jamey Kabisch, Chairperson
Mike Scholz, Vice Chairperson
Ginna Hermann, Secretary
Heather Budd, Treasurer
Dr. Jeff Strickler, Director
Whitney Brunner, Administrative Officer

Chairperson Jamey Kabisch called the open meeting to order at 9:03 a.m.

I. Open Meeting

A. Public Comment:

Jessie Wiese: Big Sky Community Corporation (BSCC): The BSCC board did not have a July meeting and; therefore, did not have the opportunity to compile a response. Ms. Wiese mentioned she would be in touch regarding the September 10 meeting.

Lynne Anderson: The Country Market: Ms. Anderson stated 13 years ago she was directed by the Resort Tax Board to tax anything that she puts labor into at The Country Market. She referenced the two letters submitted and stated Section 9 of the ordinance includes food prepared and served, which would exempt all items in her store (except coffee and gift items).

The board discussed the following terms, etc.: immediate consumption, ordered by an individual, sealed, grocery store versus restaurants, consistency in resort tax's communication to Big Sky grocery stores, etc. If definitions for prepared and served are dictated by the law, the board cannot change law and; therefore, direction may be clear.

Ms. Anderson stated she has no problem collecting the tax and is seeking clarification.

Per the opinion of the District's attorney, the law overrides the board's Section 9 of the ordinance. Until the board reaches a conclusion, it directed Ms. Anderson to collect the tax as it had done prior to July 1. Back taxes will not be sought from July 1 to present.

Ms. Anderson stated resort tax on the items in her store creates a burden on those that live in Big Sky. The board assured Ms. Anderson it has talked about that at length and in an effort to clearly not be a burden, the ordinance was revised and adopted in April 2014.

The board directed Ms. Brunner to ask Ms. Jamison if definitions exist for prepared and served.

Motion by Ms. Hermann that The Country Market is to collect the tax as it had done prior to July 1 and back taxes will not be sought from July 1 to present. Second by Ms. Hermann. All in favor. Motion passes.

B. New Business

1. **Weed Committee: Jen Mohler and Board:** Ms. Mohler introduced herself and the Weed Committee Board. She stated they are formally requesting that the Resort Tax Board lift the \$10,000 cost share; one-third of their

budget. Ms. Mohler stated the Gallatin County Weed District has funds already for cost-share and two years ago the Resort Tax Board denied her request for cost-share funds. She stated the Weeds Committee Board was formed in 2004 to accomplish weeds at a macro level.

Mr. Kabisch asked the Weed Committee Board Members from the Gallatin Country Weed District to explain what their organization focuses on accomplishing. They stated the Weed District focuses on county projects, educating the public, has a \$4,000 cost-share program, provides rental sprayers and manages co-op projects. Mr. Kabisch asked if the Weed Committee is a duplication of the Weed District. They responded that there is no county property in Big Sky, but they could do limited education. They stated Ms. Mohler's prior position was under the Weed District. They stated what she does is an addition to what they do because there are two employees on the Weed District for all of Gallatin County. Ms. Hermann asked of the \$4,000 for cost-share, what is distributed? The Weed District stated 100%. Most landowners have used it before. Statistics are posted on the Weed District website.

Mr. Scholz stated Ms. Mohler reported 37 inspections were completed in 2013. He referenced the letter provided and that Ms. Mohler stated she has no time to do inspections in 2014-2015. He asked Ms. Mohler how much time is allocated to an average inspection. She stated an hour and a half and examples like HOA inspections take up to five hours. Mr. Scholz calculated that is 20 days of inspections per year. He asked how much time is allocated to Farmers Markets. Ms. Mohler stated it is a full day. Mr. Scholz calculated that is eight days of Farmers Markets per year. He asked how much time is allocated to weed pulls. Ms. Mohler stated four days per event. Mr. Scholz calculated that is eight days per year. He asked where else her time is used. Ms. Mohler stated she assists at the Farm Fair in Gallatin County, with the Bighorn Winter Range re-vegetation plots, with Blue Water Task Force, at spray day for Gallatin and Madison Counties, with Jack Creek Preserve education, at the Ophir School weed pull, responding to complaints, etc. Mr. Scholz stated that Ms. Mohler bills by the hour. In the budget she provided she is paid \$32,000. At \$40 per hour she should have 100, eight-hour days to accomplish all she outlined.

Ms. Mohler stated the Weeds Committee requires site visits for landowners to participate in cost-share. She stated they track landowners in a database and Lone Mountain Ranch has had three owners in three years. Education is important because if chemicals are used improperly, they can have a negative impact. She provided the example of smoking and the education necessary.

The Weed District Chairman stated the money and results have gone into the following past projects: Knapweed along the highway from Gallatin Gateway to Big Sky and Canada Thistle around the Big Sky golf course. He stated bringing the Weed District Board programs together was a challenge. He stated the Resort Tax Board is buying a big resource base from MSU to the Forest Service. The Chairman stated his board thinks Ms. Mohler is doing a fantastic job, to have her expertise is great and the Weed District Board is comprised of weed experts. He stated it is a good deal.

Ms. Hermann stated the application request was not funded in full because the Resort Tax Board does not believe in the importance of managing noxious weeds. The application request was not funded in full because we are not getting the results to justify the requested funds.

Mr. Scholz asked if what resort tax funded in the 2015 appropriation cycle is not enough to be as effective as she was in 2008. Ms. Mohler stated correct. Mr. Scholz asked what took place in 2008. A Weed Committee board member who was in Ms. Mohler's position before and Ms. Mohler stated \$42,000 was funded in 2008, \$4,680 was spent on cost-share and mid-year there was a change in personnel. Mr. Scholz asked what the budget differences are when comparing 2008 to 2014-2015. He stated in 2014-2015 100, eight hours days have been budgeted.

Ms. Budd asked if the Resort Tax Board released the \$10,000, does the Weed Committee have a large project like the two the Chairman mentioned. A Weed District Board Member stated the \$10,000 would provide leverage and an example could be grant writing.

Ms. Budd asked the Forest Service representatives who enforces the feed that comes up the canyon. They stated the Forest Service Law Enforcement, letters, signs, their website provides a list of where weed free feed can be purchased, etc. and that people do a good job of managing the feed brought up the canyon.

Mr. Scholz stated the Resort Tax Board appreciates what all the Weed Committee representatives in the room do. He stated they all represent public lands. Mr. Scholz stated from what the Weed Committee letter stated, the Weed Committee is about private land. Mr. Scholz stated the Resort Tax Board needs to see results. If measurable results are provided, you'll find a Resort Tax Board that will be willing to work with you in the 2015-2016 appropriation cycle.

Dr. Strickler stated it is state law that landowners address their noxious weeds. Year after year Ms. Mohler has been telling the Resort Tax Board she focuses on education and year after year we provide more funds. We have seen no results. Dr. Strickler stated somewhere in the education process landowners need to be notified of their legal obligation. Dr. Strickler stated Ms. Mohler has stated she uses the carrot not the stick. He asked what is wrong with reminding the landowners of their legal obligation.

A Weed District Board Member stated the released funds could be used for postcards. Ms. Mohler stated Big Sky is at the top of the watershed and water quality, wildlife habitat, etc. are affected downstream. She stated they are asking for the funds to be released to leverage to a bigger picture.

Mr. Scholz asked what will be done with the \$10,000. Ms. Mohler stated some will be used for cost share; although, she has no applications currently in, some for supporting other programs and some to support the 44% increase in programming from the last year.

Mr. Scholz stated he appreciates the entire Weed Committee Board attending to hear what the Resort Tax Board has been stating as its concerns to Ms. Mohler. A Weed District board member stated the Resort Tax Board has legitimate concerns.

Motion by Ms. Hermann to release the \$10,000 cost share funds. Second by Dr. Strickler. All in favor. Motion passes.

Ms. Hermann discussed with the Resort Tax Board if they would like to see a five year plan from the Weed Committee before releasing the \$10,000. She stated since the Resort Tax Board is the only entity funding the Weed Committee, it needs to see results. Ms. Hermann discussed with the board if it would like to require the Weed Committee to commit to enforcing weed management in their education.

Motion by Ms. Hermann to release the \$10,000 cost-share funds and that the Weed Committee provide a five year plan with measurable results by January 1.

Discussion: Mr. Kabisch stated he is not in favor of a stipulation and that if the Resort Tax Board's concerns are not met by the 2015-2016 appropriation cycle, he will not vote to fund the Weed Committee.

Motion dies. No second.

2. **Fiscal Year 2015 Resolution:** The resort tax board signed the fiscal year 2015 Resolution.
3. **Appropriation Application and Progress Reports: How to Improve:** The board provided the following revisions to the application:
 - Question 1: Provide a description of the makeup of your office; specifically the number of employees or contractors and their duties.

Page 7: Move the headline "Total Organizational Budget" to below the header. Add space for a "Cash Sub Total" under "Fundraising Events". Under "Other Description" add "Describe the Purpose of Capital Reserves: On Hand Unrestricted and On Hand Restricted Funds". Next to "Expenses Paid Personnel" add space for "Full Time Equivalent" and "Time ¼, ½, ¾ or full time".

Page 8: Next to "Paid Personnel" add space for "Full Time Equivalent" and "Time ¼, ½, ¾ or full time".

Progress Report: Under "Status Report" add "Comparison from Application: How Are You Meeting Your Measurable Objectives?"

4. **Establish Resort Tax Fiscal Year 2015 Meeting Dates:** *Motion by Mr. Kabisch to accept the fiscal year 2015 meeting dates as proposed. Second by Mr. Scholz. All in favor. Motion passes.*
5. **Transportation District Letter:** The board directed Ms. Brunner to change emphasis to emphasize.
Motion by Mr. Kabisch to approve the letter as amended and submit it to the Transportation District. Second by Ms. Budd. All in favor. Motion passes.
6. **Office Audit:** Mr. Kabisch stated he met with the auditors and Ms. Budd spoke with them over the phone. The auditors will attend the September meeting to provide a comprehensive update to the board. Ms. Brunner noted remittances cannot be dropped off at the office and all remittances are to be mailed to the PO Box or dropped off at First Security Bank. She will place a sign on the door with notice to tax collectors.
7. **Legal Opinion 14:** The board reviewed the opinion.
8. **Other: TIF/TEDD District:** Mr. Kabisch informed the board a group has formed to work towards the creation of a TIF/TEDD District in Big Sky. The District would follow the boundaries of the Resort Tax District. A TIF/TEDD District would freeze a portion of all future Gallatin and Madison County property tax and collect in a fund for services like the Fire Department, etc. Creation of a TIF/TEDD District is a long process. Mr. Kabisch spoke with Mr. Jamison and learned the TIF/TEDD District would not qualify as Resort Tax emergency funding and cannot seek appropriation funds mid-cycle. The TIF/TEDD District group could go to a currently funded entity and ask the Resort Tax board if the intended use for the funds could be changed. Mr. Scholz stated a TIF/TEDD District may affect the school funding.

C. Old Business

1. **Better Together Ordinance:** Mr. Kabisch presented Ordinance 2014-1 and asked for public comment. No public comment.
Motion by Mr. Kabisch to revise Section 3 (2) of Ordinance 2014-01 to "The renewal date for License Agreement is January 1st. A written request for renewal of use must be made not less than 45 days from January 1st". Second by Ms. Budd. All in favor. Motion passes.
Motion by Mr. Kabisch to adopt the First Reading of Proposed Amendments to proposed Ordinance No. 2014-01 as proposed by Board and further changed at this meeting." Second by Ms. Hermann. All in favor. Motion passes.
2. **Bonding Ordinance:** Mr. Kabisch presented Ordinance 2014-1 and asked for public comment. No public comment.
Motion by Mr. Kabisch to adopt the First Reading of Proposed Amendments to proposed Ordinance No. 2014-02 as proposed by Board." Second by Mr. Scholz. All in favor. Motion passes.
3. **Bonding Advertising Policy:** The board discussed adopting the policy with the Bonding Ordinance.

4. **Treasurer Report:** The board directed that Ms. Brunner request First Security and Big Sky Western Banks' best rate bid for Resort Tax each month. Ms. Budd requested that the audit report be generated monthly, instead of quarterly.
5. **Financial and Tax Collection Reports:** Ms. Brunner provided an updated balance sheet with the sinking fund set aside. The board discussed the possible cash flow deficit in November and December (the spreadsheet is based on last year's collections). With recent collections surpassing previous years' collections a deficit may not occur. The board directed that Ms. Brunner provide an updated cash flow spreadsheet with this fiscal year's collection numbers at the October board meeting.

Motion by Mr. Kabisch to accept the financial and collection reports. Second by Ms. Hermann. All in favor. Motion passes.

6. **Administrative Officer Report:** The board directed Ms. Brunner to inform the Community Corporation that they are to include the market-rate rent and value of the other amenities provided to them in the resort-tax-owned office space on the fiscal year 2016 application.

The board discussed Morningstar's fiscal year 2014 unused funds. The appropriation is based on a tuition reduction program and; therefore, cannot be used for other programs, etc.

The board directed Ms. Brunner to update the Employee Handbook to a September annual employee review month. Mr. Kabisch and Ms. Hermann will hold Ms. Brunner's review and make a recommendation to the board at the September closed meeting.

Motion by Mr. Scholz to accept the lockbox agreement from First Security Bank and that Chairman Mr. Kabisch may sign the agreement. Second by Ms. Hermann. All in favor. Motion passes.

7. **Correspondence:** The board discussed the Jack Creek limited community access and the resort tax appropriated funds for the watershed as a point of reference for future appropriations.
8. **Minutes:** *Motion by Mr. Kabisch to approve the April 9 open minutes. Second by Ms. Hermann. All in favor. Motion passes.*

The board directed Ms. Brunner to revise the spelling of Devon White and Brian Hurlbut in the May 14 minutes.

Motion by Mr. Scholz approve the May 14 Question and Answer minutes as amended. Second by Dr. Strickler. All in favor. Motion passes.

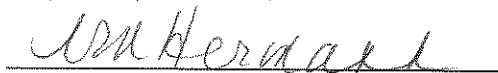
The board directed Ms. Brunner to revise the spelling of Kevin Germain in the June 11 minutes.

Motion by Dr. Strickler to approve the June 11 Appropriation minutes as amended. Second by Mr. Scholz. All in favor. Motion passes.

9. **Other:** Ms. Budd congratulated Mr. Scholz on his honor from the Chamber of Commerce and thanked Mr. Kabisch for a well-run, efficient Appropriations meeting. Dr. Strickler thanked Ms. Hermann for her work on the appropriation application noting the improved format made them easier to review.

Chairperson Jamey Kabisch adjourned the open meeting at 11:25 a.m.

Respectfully Submitted,



Virginia Hermann, Secretary



FINAL MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING

September 10, 2014

Present: Jamey Kabisch, Chairperson
Ginna Hermann, Secretary
Heather Budd, Treasurer

Dr. Jeff Strickler, Director
Whitney Brunner, Administrative Officer

Chairperson Jamey Kabisch called the open meeting to order at 9:00 a.m.

Secretary Ginna Hermann attended via telephone.

I. Open Meeting

A. Public Comment: None.

B. New Business

1. **Big Sky TEDD District: Chamber of Commerce:** The board asked the TEDD group members in attendance to introduce themselves. The board stated it supports the idea. It asked if a condition to match the first \$25,000 and Resort Tax being the last in on the \$20,000, would be a handcuff. Ms. Clemens stated the total project cost will be \$90,000 and Resort Tax will not be the last in because the group has to raise private sector funds. She stated the condition the board mentioned may slow down the process. Mr. DuCuennois stated the first \$25,000 has already been matched by the private sector and the grant is federal funds.

The board asked if the group will come back to request reallocating the remaining funds. It clarified that it believes in the merit of the project, but does not want to have to reallocate again. The board asked if \$90,000 is where the costs stop.

Ms. Clemens stated the utility lines project may cost less at a later date. Engineering costs and preliminary work may be needed. Mr. DuCuennois stated the costs are not finite, there is not a clear path and there are a lot of politics. He stated the ultimate goal is for TIF/TEDD to alleviate projects like the utility line project from Resort Tax. Mr. O'Connor stated the utility line project remains a goal for the Chamber, but it is their hope that TEDD could take on that future cost.

Motion by Mr. Kabisch to approve the \$45,000 reallocation request from the utility lines project to TEDD funding with the following conditions: 1) \$25,000 is contingent on a match of funds; resort tax funds are to be the last funds in and 2) if either county commission votes no, the TEDD group is to come to the resort tax board immediately and no further resort tax funds will be released.

Second by Dr. Strickler.

Discussion: The board expressed should the commissioners vote no, resort tax does not want to fund a lawsuit between the TEDD group and the commissioners. The board discussed the cash infusion Big Sky contributes to both counties and if PR and politics will inhibit the rationale and economics of the potential district.

All in favor. Motion passed.

2. Liability Insurance: The board accepted The Agency's AmTrust proposal.

C. Old Business

1. Taxability Ordinance: Prepared and Served: *Motion by Mr. Kabisch to amend Ordinance 98-01 (as amended 4.11.14) Section 9: 7 to prepared or served and to define "prepared" by Minnesota statutes and "served" by Ohio statutes. Second by Ms. Hermann. All in favor. Motion passed.*

The board discussed defining restaurant, premium for quality/freshness, the opportunity to manipulate language and good guidance for tax collectors.

The first reading to amend the Ordinance will be at the October 8 meeting.

2. Better Together Ordinance: 2nd Reading: Mr. Kabisch presented Ordinance 2014-1 and asked for public comment. No public comment.

Motion by Mr. Kabisch to amend Ordinance 2014-1 Section 3:2 to "The renewal date for a License Agreement is January 1st. A written request for renewal of the License Agreement must be made not less than 45 days from January 1st." Second by Dr. Strickler. All in favor. Motion passed.

Motion by Mr. Kabisch to adopt the Second Reading of Proposed Amendments to proposed Ordinance No. 2014-01 as proposed by the Board and further changed at this meeting." Second by Dr. Strickler. All in favor. Motion passed.

Mr. Kabisch stated that the Ordinance has now been amended and that the amended Ordinance will go into effect 30 days from the meeting (Oct 12, 2014).

3. Bonding Ordinance: 2nd Reading: Mr. Kabisch presented Ordinance 2014-2 and asked for public comment. No public comment.

Motion by Mr. Kabisch to adopt the Second Reading of Proposed Amendments to proposed Ordinance No. 2014-02 as proposed by Board." Second by Ms. Budd. All in favor. Motion passed.

Mr. Kabisch stated that the Ordinance has now been amended and that the amended Ordinance will go into effect 30 days from the meeting (Oct 12, 2014).

Secretary Ginna Hermann left the meeting at 9:38 a.m.

4. Bonding Advertising Policy: Mr. Kabisch stated he and Ms. Brunner will create a spreadsheet of the resort tax's current bonding capacity to post it on the website.

Motion by Mr. Kabisch to approve the bonding advertising policy. Second by Dr. Strickler. All in favor. Motion passed.

Secretary Ginna Hermann attended the meeting via telephone at 9:45 a.m.

5. Administrative Officer Report:

The board directed Ms. Brunner to add "if the entity has multiple projects, include additional pages as needed" to the Measurable Objectives section of the Progress Report.

Ms. Budd will attend the Town Center Home Owners Association Annual Meeting. Mr. Kabisch may attend. The board discussed the stage area not being a dedicated park and the board stated they would be in favor of the stage becoming a dedicated park.

Motion by Mr. Kabisch to provide Ms. Budd voting rights at the meeting and to act as the proxy for the resort tax board. Second by Dr. Strickler. All in favor. Motion passed.

6. Treasurers Report:

Ms. Budd explained the banks' hesitancy to provide their best rates each month. She stated she understands their concern that funds may be moving often. She suggests the board request the best rates once a year at appropriations. Ms. Budd stated she will review the banks' published rates monthly to ensure the banks posted rates do not exceed the resort tax rates.

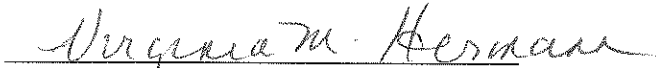
Ms. Budd explained Ms. Brunner's current sick and vacation accrual and that her interpretation when updating the accruals was that Ms. Brunner was earning the full amount of sick and vacation time at 24 hours per week, versus 60% of that amount. When the new accrual numbers were calculated, they were based on 100% the amount, so therefore increased vacation and sick relative to 100% vs. 60%.

Motion by Ms. Budd to have the auditors provide direction and oversee Ms. Brunner adjusting Quickbooks for the calculation of accrual per hour based on a 32 hour work week and calculate the past years' carryover accruals. Second by Mr. Kabisch. All in favor. Motion passed.

1. Financial and Tax Collection Reports: *Motion by Dr. Strickler to accept the financial and collection reports. Second by Mr. Kabisch. All in favor. Motion passes.*
2. Minutes: *Motion by Dr. Strickler to approve the August 13 open minutes. Second by Ms. Hermann. All in favor. Motion passes.*

Chairperson Jamey Kabisch adjourned the open meeting at 10:05 a.m.

Respectfully Submitted,



Virginia Hermann, Secretary



DRAFT MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING

October 8, 2014

Present: Jamey Kabisch, Chairperson
Mike Scholz, Vice Chairperson
Ginna Hermann, Secretary

Heather Budd, Treasurer
Whitney Brunner, Administrative Officer

Chairperson Jamey Kabisch called the open meeting to order at 9:00 a.m.

Secretary Ginna Hermann attended via telephone.

I. Open Meeting

- A. Public Comment: None.
- B. New Business: None.
- C. Old Business

1. **Administrative Ordinance 1st Reading:** Mr. Kabisch explained the board will be following a set of legal procedures for the reading. He stated he will not actually be reading the proposed amendments to Ordinance no. 98-01. He referred to the handout of Ordinance No. 98-01 and explained the proposed amendments are highlighted.

Mr. Kabisch stated the ordinance will be reviewed again at the 2nd Reading November 12th and the public will have the opportunity to comment at that time as well.

Key points of discussion: Goals:

- Not tax food necessities in grocery stores regardless of place of preparation. Similar types of food should not be taxed because of either value added, enhanced quality or freshness by in-house efforts. (Example: an off the shelf pizza, bread or pre-wrapped sandwich should be considered the same necessity regardless of whether it came off a delivery truck or not)
- Not raise the cost of living to residents on necessities of life.
- Not put local businesses selling necessities at a pricing disadvantage to out-of-tax district competition. This can help local businesses stay competitive.
- Tax all restaurants, fast food stores and food service establishments whether stand alone or incorporated within another business to include but not limited to grocery or convenience stores. Simply put, these types of food service establishments are the only food that should classify as luxuries and our definitions should read accordingly.

The board introduced the ordinance changes by stating it feels the intention of the resort tax is to tax those who do not live in the district and should not increase the cost of living for locals. In discussions with the resort tax attorney, the board has learned several legal definitions, which would provide clarity on the law, do not exist. The board has been seeking definitions for the language used in the ordinance including "unprepared" and "unserved" as well as "restaurant" and "food service establishments". The attorney provided Ohio and Minnesota legal definitions for "prepared" and "served" and that is what is included in the ordinance revision provided for review at this 1st Reading. The board provided several examples of items commonly found in grocery stores that are deemed luxuries under the current ordinance that conflict with the board view of the intent of the ordinance. There were several additions provided by the public in attendance. Examples given by all include bread, macaroni salad, grab-and-go sandwiches, pizza, etc.

Mr. Scholz stated he suggests adding, under Section 1:7(b), sold by weight and food items off the shelf.

The board discussed what would define a restaurant including a menu, a kitchen, chairs, utensils, ordered items, etc. The board discussed convenience and quality do not equal luxury. It discussed that what is deemed a luxury will change over time.

The public in attendance each explained their grocery businesses and the differences between each including computer set up, layout, etc. Several expressed concern in the way the ordinance is currently and concern revising the ordinance.

Among comments from the public in attendance, Ms. Lynne Anderson stated she is applying to accept food stamps, the SNAP program, and as a result learned the federal government does not consider the food items in her grocery luxuries. In addition, the items taxed in her store are not eligible for SNAP. Separately, Ms. Anderson stated Section 1:9 contradicts 1:7.

The board discussed two points of view that 1) up until now there has not been a problem with how resort tax has been applied in the district's groceries and 2) the gray area and this board's view on the intent of the resort tax.

Gift food items were discussed and the board stated those items would remain taxable.

In closing, the board decided its next step is to seek legal counsel. Mr. Scholz will communicate the intention of the board to the attorney and the request for definitions for "restaurant" and "food service establishments". 2nd Reading will not take place at the November meeting.

2. **Bonding Capacity:** Mr. Kabisch stated he reviewed the bonding capacity spreadsheet prepared by Ms. Brunner and believes it to be correct.

Motion by Mr. Kabisch to publish the current bonding capacity on the resort tax website. 2nd by Ms. Hermann. All in favor. Motion passed.

3. **Bonding Ordinance:** The board discussed the prospect of multiple projects in one year and the need for a process. The suggested text in the ordinance bundles the projects for a ballot. The board stated it would like to bundle the projects for a bond after voter ballots.

Motion by Mr. Kabisch to revise the suggested language in the ordinance to the following: Section 5(3) If the board approves more than one qualifying project proposed during a call for applications and each project has met the requirements of this Ordinance and has been voted on at the special or other election by the qualified electors, then the Board may combine the qualifying projects into a single bond issue. 2nd by Ms. Hermann. All in favor. Motion passed.

The board discussed if the board should make the decision to send multiple projects to public vote if the combined total exceeds the bonding capacity or if the projects can all be sent to public vote and, should multiple projects pass, a special election would determine the recipient of funds. It agreed that projects should be pursued based on merit and not timing of applications received, etc.

The board discussed if a ballot can be created that would allow the voters to choose the project/s that total less than the bonding capacity. The board directed Ms. Brunner to ask Ms. Jamison if a ballot like this exists and if the law provides guidelines.

4. **Office Audit: Holmes and Turner: Rosie Barndt:** The deficiency remains the same as in previous years. It is a one-employee office. Ms. Barndt stated the board is doing everything it can to best mitigate the deficiency. She reviewed the summary provided and the posted and passed journal entries.

Motion by Mr. Kabisch to accept the posted journal entries and move the passed recording on compensated absences as a posted journal entry. 2nd by Mr. Scholz. All in favor. Motion passed.

Ms. Barndt stated she is removing the Management Letter Recommendations from the audit report. She stated the board acknowledged the recommendations, has made them procedure and is moving forward.

The board pointed out an error on page 20, note 5, 2nd paragraph, 2nd sentence. It should read, "The District is not required to contribute to the plan but may match up to 6.8% of the participant's earnings.

The board pointed out an error on page 21, note 10. The changes should match.

The board pointed out that the employer contributed more to the 457 retirement plan than the employee did. Ms. Barndt stated that, over time, the employer and employee contributed the same amount.

Ms. Barndt stated she will provide an updated, final audit report to the board for review at the November 12th board meeting. She provided a letter that waives Holmes and Turner of responsibility for errors and Mr. Kabisch directed Ms. Brunner to include the letter in the November 12th board meeting packet for all to review.

Ms. Barndt explained how she calculated the holiday, sick and vacation days accrued from quick books. She stated that the state government accrued holiday, sick and vacation days when using holiday, sick and vacation days. The board approved doing the same for Ms. Brunner. She stated with the board's approval medical benefits and HSA would continue through Ms. Brunner's leave. The board approved.

5. **Legal Opinion 20:** The board discussed the veto power of the unanimous required to use emergency funds. The board directed Ms. Brunner to include the documents an Opinion references, in this case, the Ordinance.
6. **Treasurer Report:** The board thanked Ms. Brunner for adding the interest rates on the balance sheet bank accounts.

The board directed Ms. Brunner to charge the fees from the bounced checks back to the Corral. Ms. Budd asked Ms. Brunner to work with Ms. Barndt to ensure the bounced checks are correctly entered in quick books.

Ms. Budd directed Ms. Brunner to work with Ms. Barndt on three unreconciled amounts in quick books from 2012 and 2013. She suggested it may be as simple as adding a deposit or credit.

The board directed Ms. Brunner to update quick books appropriations by separating TEDD from the Utility Line Project for the Chamber.

The board directed Ms. Brunner to add the previous year's budget to the income section of the Profit and Loss.

Motion by Mr. Scholz to approve the financial reports as amended. 2nd by Ms. Hermann. All in favor. Motion passed.

7. **Administrative Officer Report:** Mr. Kabisch directed Ms. Brunner to provide the cell phone numbers for himself, Mr. Scholz and Ms. Budd to the temp Wanda McCarthy.

The board discussed the prospect of an information session for area businesses once the administrative ordinance is in effect. It decided to revisit the idea in January or February.

Cleaning the slate floors was approved.

8. **Town Centerl Owners Association Meeting Recap:** Ms. Budd stated the following projects may be future resort tax funding requests. To solve traffic issues on Ousel Falls, the HOA may install stop signs on every corner or dips, which will not harm the snow plows. Lone Peak Mountain Drive would need to have three-times the traffic for the state to install turning lanes for the Medical Center or Roxy's Market. The RID is behind. The HOA uses drinking water to water landscaping and is looking into using gray water.

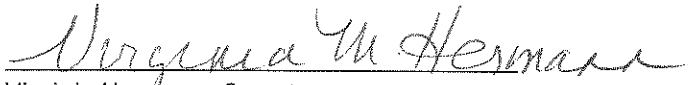
The board discussed the HOA debt to the Simkins family: \$315,000 with a 6% interest rate, the un plated land, the land going to plat: from Roxy's to East Slope including a 115 room Marriot Residence, the makeup of the HOA board, that each building is one vote and; therefore, each unit in a building has a percentage of a vote and the Medical Center may pay a reduced rate because the HOA does not provide the required maintenance that such a facility requires.

8. **Minutes:** The board directed Ms. Brunner to amend the Treasurer's Report, paragraph one, sentence two. It is to read, "...to ensure the banks posted rates' do not exceed the resort tax rates."

Motion by Mr. Kabisch to approve the September open minutes as amended. 2nd by Ms. Hermann. All in favor. Motion passed.

Chairperson Jamey Kabisch adjourned the open meeting at 11:35 a.m.

Respectfully Submitted,



Virginia Hermann, Secretary



FINAL MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING

November 12, 2014

Present: Jamey Kabisch, Chairperson
Mike Scholz, Vice Chairperson
Ginna Hermann, Secretary

Dr. Jeff Strickler
Wanda McCarthy, Administrative Officer

Chairperson Jamey Kabisch called the open meeting to order at 8:59 a.m.

Secretary Ginna Hermann attended via telephone.

I. Open Meeting

A. Public Comment:

John Zirkle (WMPAC): Mr. Zirkle gave a power point presentation on upcoming events at the WMPAC that were partially funded by BSRAD. The board inquired about the selection process for performers. The BSRAD logo was not on the power point slides and the board verified with Mr. Zirkle that the BSRAD logo was to be on all public communication materials that the resort tax has funded. Mr. Zirkle informed the board that the power point slides sent earlier for distribution were only for the board. All other public documents have the BSRAD logo.

Lynn Milligan: Ms. Milligan stated her support for the new agreement between the Big Sky School District and homeowners in the area regarding the school sign.

B. New Business:

1. **Big Sky School District #72 & Warren Miller Performing Arts Center Sign:** Mr. Kabisch stated the school board will be putting together a new proposal for the entry sign and digital reader. Concerned citizens and the school district are working together to solve their differences and come to an agreement.

The board directed Ms. McCarthy to send a letter to the Big Sky School District requesting:

- the new plan for the sign/digital reader
- how does this plan deviate from the application (cost, design, location, etc.)
- the BSRAD would like to be copied on all correspondence with the county in respect to the new sign proposal
- provide information to the BSRAD office for review at the December 10 board meeting

The board expressed their disappointment that the community members who were concerned about the new sign proposal did not speak up at the time of Resort Tax appropriations. The community has two public meetings where the applications are discussed and public comments or concerns are welcomed.

2. **Brian Hurlbut, Arts Council of Big Sky (ACBS):** In 2008 BSRAD funded \$100,000 to the ACBS for headliner events. Several years ago the ACBS decided to not continue producing large-scale events. In the years following the

cancellation of these events the ACBS has depleted that fund for other events with the approval of the BSRAD board. Mr. Hurlbut requested that the remaining funds in the headliner-only account (\$31,111.38) be used by the ACBS as seed money for the winter programming only. Mr. Hurlbut does not anticipate he will need to request more funds as the account will be replenished with ticket sales.

Motion by Mr. Scholz to transfer \$31,111.38 from headliner account to winter programming as seed money to help keep winter events on-going with details of events to be reported in the annual progress report to BSRAD. 2nd by Dr. Strickler. Absent: Ms. Budd. All in favor. Motion passed.

3. **Application and Agreement for Better Together:** *Motion by Mr. Kabisch to approve the Application and Agreement for Better Together. 2nd by Ms. Hermann. Absent: Ms. Budd. All in favor. Motion passed.*

C. Old Business

1. **Administrative Ordinance:** Mr. Scholz researched and provided the board with "Streamlined Sales and Use Tax Interpretation: Prepared Food Definition of 'Food Sold with Eating Utensils Provided by the Seller.'" Mr. Scholz report 40 states are currently using this language. Mr. Kabisch request Mr. Scholz to work with Ms. Jamison to get the correct wordage amended or added into the Administrative Ordinance. Mr. Kabisch would like the amended Administrative Ordinance available for the December 10, 2014 board meeting for review with the first and second readings to follow on January 14, 2015 and February 11, 2015 respectively.
2. **Bonding Ordinance:** The board discussed the prospect of multiple projects in one year and the need for a process. Mr. Kabisch spoke in length with Ms. Jamison regarding the bonding capacity. According to Ms. Jamison the bonding counsel must approve all ballots and ballots cannot be created to contain more than one project. However, the board can combine more than one qualifying project under one bond issue as long as they stay under the bonding capacity.
3. **Final Office Audit: Management Letter, Holmes and Turner:** *Motion by Mr. Scholz to approve and have the board chairman sign the management letter from Holmes and Turner. 2nd by Ms. Hermann. Absent: Ms. Budd. All in favor. Motion passed.*

4. **Legal Opinion 44:** The board discussed the goods and services provided by outfitters. This legal opinion is obsolete. New language is reflected in the Amended Ordinance No. 98-01-ORD which was passed on March 12, 2014 and went into effect on April 11, 2014.
5. **Treasurer Report:** *Motion by Mr. Scholz to approve the treasurer's reports as written. 2nd by Mr. Kabisch. All in favor. Absent: Ms. Budd. Motion passed.*
6. **Financial and Tax Collection Reports:** *Motion by Mr. Kabisch to approve the financial and collection reports. 2nd by Mr. Scholz. All in favor. Absent: Ms. Budd. Motion passed.*
7. **Administrative Officer Report:** The board selected Monday, December 15 to have their group photo taken for the Chamber of Commerce Official Visitor Guide. The board directed Ms. McCarthy to make the arrangements.
8. **Other:** The board discussed the letter received by Jessie Wiese with the Big Sky Community Corporation (BSCC) regarding a change in the use of their funds. According to the letter BSCC plans to outsource snow removal and not purchase snow grooming equipment as suggested in their appropriation application. The board directed Ms. McCarthy to send a letter to Ms. Wiese requesting the difference in funds needed and the savings. The board would like this information before the December meeting so it can be reviewed.

D. Minutes: The board directed Ms. McCarthy to replace "super majority" with "unanimous" (page 3, #5) and "Town Hall Owners" should read "Town Center Owners" (page 4, #8).

Motion by Mr. Kabisch to approve the October open minutes as amended. 2nd by Mr. Scholz. All in favor. Absent: Ms. Budd. Motion passed.

Chairperson Jamey Kabisch adjourned the open meeting at 10:35 a.m.

Respectfully Submitted,



Virginia Hermann, Secretary



FINAL MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING

December 10, 2014

Present: Jamey Kabisch, Chairperson
Mike Scholz, Vice Chairperson
Ginna Hermann, Secretary
Heather Budd, Treasurer
Dr. Jeff Strickler, Director
Wanda McCarthy, Administrative Officer

Chairperson Jamey Kabisch called the open meeting to order at 9:00 a.m.

I. Open Meeting

A. Public Comment: None.

B. New Business:

1. **Big Sky Community Corporation (BSCC):** Herb Davis, a BSCC board member, was in attendance. BSCC is requesting allocated funds for snow grooming equipment purchase be used for contractual snow removal. Mr. Kabisch asked Mr. Davis to explain the request for reallocation of funds. Mr. Davis stated the BSCC does not have facilities to store such equipment, currently BSCC has no employees to operate the equipment, and it is more cost effective to subcontract the trail snow plowing. Without the plowing the trails could be a hazard to pedestrians. Lone Mountain Ranch is currently maintaining some of the trails pro bono but does not have the equipment to maintain all the trails.

The board's concern is the funds were allocated specifically for the purchase of equipment as a long-term solution and those restricted funds will be used in a different manner without the board's approval.

Mr. Scholz questions whose responsibility is the trail maintenance – BSCC or the property owner. The trails in question are an asset to the Town Center. Therefore, the question arose, should not the Town Center Owners Association (TCOA) be responsible for the maintenance. Mr. Davis stated they did meet with the TCOA. They do not have the equipment to maintain the trails nor did they feel they had any responsibility of the maintenance of those trails. Mr. Kabisch pointed out that just because the BSCC has an easement for the trails does not mean TCOA has no responsibility in the maintenance of those trails which benefit their businesses.

Ms. Budd stated the BSRAD supported the building of the trails and should help maintain them in the winter. The safety of pedestrians is a concern. If the trails are plowed then pedestrians will be off the roads.

Ms. Hermann asked Mr. Davis how he thought the dialog with the TCOA would continue. Mr. Davis believes

as the building of parking lots are completed the maintenance issue would take care of itself. Mr. Strickler would like the BSCC to include Roxy's, the Big Sky Medical Center and other incoming business in the trail maintenance discussion along with TCOA.

Mr. Davis assured the board that he will take the information discussed back to the BSCC board and staff. For the future they will plan on purchasing equipment, building a storage facility for that equipment and hiring an employee(s) to operate the equipment.

Motion by Dr. Strickler to transfer \$8,500 of allocated fund for snow grooming equipment purchase to hiring subcontractor Delzer Diversified for select trail maintenance with the contingency that: (1) this is a one-time payment and that a plan needs to be put into place beginning next year and (2) future BSCC appropriation requests are more detailed. Second by Ms. Hermann. In favor: Mr. Kabisch, Ms. Hermann, Ms. Budd and Dr. Strickler. Opposed: Mr. Scholz. Motion passed.

Motion by Mr. Kabisch to not allow the remaining funds, \$2,696, to be reallocated. These funds will remain at year end as unused. Second by Ms. Hermann. All in favor. Motion passes.

Chairperson Jamey Kabisch temporarily adjourned the open meeting at 9:30 a.m.

Chairperson Jamey Kabisch called the open meeting back to order at 9:45 a.m.

2. **Appropriation Entities Progress Report I:** Board has some concerns that some entities are not as sustainable as they once were and that the BSRAD is funding a large portion of operations for many entities.

The board would like to include in the appropriation application a statement regarding the submittal of required permits for projects that receive BSRAD funding.

3. **Other:** None.

C. **Old Business**

1. **Administrative Ordinance:** Mr. Scholz reviewed the key elements under (7) "Prepared food" section of the ordinance. The board directed Mr. Scholz and Ms. McCarthy to make changes to the ordinance per the discussion. First reading of the revised administrative ordinance will be on Wednesday, January 14, 2015.

The board also discussed adding florists under Section 9, #6 as a taxable item.

2. **Legal Opinion 23:** Mr. Kabisch elected to skip the legal opinion review to allow time for other agenda items.
3. **Treasurer Report:** Ms. Budd notified the board that the BSRAD funds are adequately pledged, the monthly Quickbooks back up for outside storage will be completed today. The remainder of the items she reviewed were all satisfactory.
4. **Financial and Tax Collection Reports:** The board discussed the possible sale of the property located at 77 Aspen Leaf Drive #A and currently occupied by BSCC. The board directed Ms. McCarthy to compile a list of local realtors and draft a letter for Mr. Kabisch's review.

Motion by Mr. Kabisch to approve the financial and collection reports as presented. 2nd by Mr. Scholz. All in favor. Motion passed.

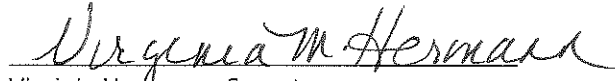
5. **Administrative Officer Report:** Board was reminded of group photo shoot on Monday, December 15.

6. Other: None.

D. Minutes: *Motion by Mr. Scholz to approve the November open minutes. 2nd by Dr. Strickler. All in favor. Motion passed.*

Chairperson Jamey Kabisch adjourned the open meeting at 10:50 a.m.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Virginia M. Hermann". The signature is written in black ink and is positioned above the printed name.

Virginia Hermann, Secretary